

[By Lisa Rein](#)

The debt-ridden U.S. Postal Service said Wednesday that it is scrapping plans to close thousands of post offices and instead will drastically reduce hours at most of its rural operations to as few as two a day. The shorter hours will affect more than a third of the country's 31,509 post offices.

The abrupt shift in strategy — 10 months after officials announced that 3,700 money-losing post offices would probably be shuttered — comes as Congress appeared headed toward deadlock on a plan to address the agency's multibillion-dollar deficit.

Postmaster General Patrick R. Donahoe said he is responding to an outcry from rural areas fighting to preserve jobs, service and identities offered by their post office.

"When we announced those closures, what people said to us was, 'Keep our post office open,' " he said. "We have to have shorter hours. But if we can shrink the labor costs, we can keep the buildings open." Plans to close 223 mail-sorting hubs remain, he said.

Although low revenue and poor foot traffic had made rural outposts vulnerable for closure, lawmaker opposition was hurting the prospects of a House bill to overhaul the Postal Service's finances. The agency is headed for \$14 billion in losses this year, and postal officials have said that without congressional intervention, they are so squeezed on costs and revenue that they will default on their obligations.

A bill passed by the Senate last month placed restrictions on most post office closings, placating senators from Maine to Wyoming. But the House bill, which demands more cost savings, allows the closings to proceed, prompting bipartisan opposition from House members representing rural districts.

"If the House bill came to the floor, there would have been an uprising in both parties," said

Rep. Peter Welch (D-Vt.), who has joined forces with Rep. Michael G. Grimm (R-N.Y.) in fighting the closures.

Vermont would have lost 15 post offices. Although he called two hours of daily service "not adequate" and "treating rural Americans like second-class citizens," Welch praised the new plan for shorter hours as a compromise that's "better than closure."

Rep. Adrian Smith (R-Neb.) told House leaders in a recent letter signed by 12 rural Democrats and Republicans that the Postal Service "may be misguided in targeting rural postal facilities as a means of addressing its shortfall."

Ali Ahmad, a spokesman for House Oversight and Government Reform Committee Chairman Darrell Issa (R-Calif.), the bill's sponsor, said the congressman is "continuing to work with rural members to address their concerns about their constituents' access to postal services."

In a statement, Issa said postal officials need to make deeper cuts to the retail network, looking for cost savings beyond rural post offices to suburban and urban ones.

Donahoe said the Postal Service's new strategy would take effect over two years and save \$500 million in labor costs, up from an estimated \$200 million that the closures of 3,700 post offices would have saved. The Postal Service plans to offer early retirement incentives to 21,000 postmasters; about 13,000 are now eligible for retirement.

Rural offices will be staffed by part-time workers who make far less than postmasters. The new structure will employ a combination of part-time career employees and hourly contract staff. Most will receive reduced benefits or none.

By avoiding closures, the plan protects the jobs of most postmasters who choose to stay. "In that sense, it is a very good plan, and . . . we do not oppose it," Mark Strong, president of the National League of Postmasters, said in a statement. As managers, postmasters are not unionized and do not have collective bargaining rights.

The Postal Service studied about 17,000 rural post offices, a majority of which lose money. It concluded that 13,000 needed a reduced schedule. Window hours will be cut to two hours a day at 9,000 offices and to six hours a day at 4,000 offices.

All-day access to mailboxes in post office lobbies will continue.

The plan does not come close to filling the Postal Service's shortfall. Financial results for the first quarter of the year are due Thursday, and officials expect the financial hemorrhaging to continue.

The Postal Service also has proposed consolidating mail-processing centers, eliminating Saturday delivery, slowing overnight delivery, exploring new lines of business that are now prohibited and reducing worker benefits.

The Senate bill would give the agency \$11 billion it overpaid into one of its pension funds. Saturday mail delivery, whose elimination has been considered for years, would remain.

The House bill would create a commission that would recommend post office and processing center closings. Saturday mail delivery would end. If the Postal Service fails to cut enough costs within two years, a commission and independent control board would step in to implement more drastic cuts, overriding union contracts and ordering layoffs if necessary.

Postal officials oppose a control board but have said that the Senate bill does not go far enough in allowing them to make cuts.

Sen. Thomas R. Carper (D-Del.) called the Postal Service plan "tinkering around the edges."

"Stopgap, piecemeal measures like the proposal offered today . . . will not keep the Postal

Service from an imminent collapse," he said in a statement.

For a listing of post offices, go to washingtonpost.com/federaleye .